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SIPDIS

DEPARTMENT PLEASE PASS TO USTR BENNETT HARMAN

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TAGS: [BEXP](#) [ECIN](#) [ECON](#) [ETRD](#) [PGOV](#) [PREL](#) [EC](#) [FTA](#)

SUBJECT: ECUADOR SPLIT ON SUPPORT OF FREE TRADE AGREEMENT

1. Summary. A public opinion poll sponsored by USAID shows that about half of the Ecuadorian public has heard about the FTA and about half of the public (both informed and uninformed) supports it. Not surprisingly, solid majorities believe that the FTA will benefit the U.S. far more than Ecuador. About half of those polled expressed no confidence in Ecuador's negotiating team and the vast majority felt that the GOE is not adequately informing the public about the process. Almost 85% feel the FTA should be put to a popular vote. While the GOE flatly opposes a referendum on the FTA, an uneducated population and mandatory voting could present an obstacle to the FTA if a vote were to take place. End Summary.

2. As part of USAID's campaign, a public opinion poll was conducted on the FTA between the U.S. and the Andean countries. The poll was conducted from November 16 through December 4, 2004. The sample was 2,673 persons between the ages of 18 and 65. The sample error is +/- 1.9%. The results were mixed and sometimes contradictory.

Mixed Results

3. Half of those polled had heard of the FTA negotiations. About half of those polled, both those who were aware of the negotiations and those who were not, said an FTA with the U.S. would be beneficial for Ecuador. Roughly one third thought it would be detrimental for Ecuador.

4. The poll reflects the contradictory gut reactions of Ecuadorians to both like and mistrust the U.S. Two-thirds of the sample, without regard to socio-economic class or age, saw the U.S. as a friend of Ecuador, but an interested friend, a country whose friendship was conditioned by its own interests. While majorities thought the FTA would bring more employment (54%) to Ecuador, increase exports (58%) to the U.S., and bring more U.S. investment (82%) to Ecuador, a majority (58%) also felt that the U.S. would benefit more from this agreement than Ecuador. Moreover, vast majorities felt that the U.S. was looking to take advantage of Ecuador's natural resources (74%) and would impose conditions on Ecuador that would favor the U.S. market (78%). Far more respondents thought an FTA with Europe would be beneficial to Ecuador (70%) than thought the same about an FTA with the U.S. (50%). The perception of benefit from a U.S. agreement was slightly greater among people aged 18 to 35 (51-53%), than among older respondents (46-47%).

5. More than half (54%) felt that big business would be the greatest beneficiary from the FTA. Politicians came in second at 18%. A likely result of a campaign by small business leaders against the FTA was that small enterprise was thought by 27% of the respondents to be the group that would be affected most detrimentally by the FTA. Agriculture came in second with 18% of respondents, behind both "other" and "don't know", possibly reflecting the fact that agricultural interests will likely be among those most benefited, as well as those most challenged, under the FTA.

6. Most people (85%) did not know who was negotiating the FTA for Ecuador. Of those who did (15%), most only knew Ivonne Baki, the flamboyant Minister of Trade. Despite not knowing who was negotiating the agreement for Ecuador, half gave a vote of no confidence to the team, 22% were confident, and 28% were undecided. Of those who knew of the negotiating team, about half still (52%) had no confidence in them, although the number who did feel confident increased from 22 to 37%.

7. Almost half (46%) felt the GOE was not adequately informing the public about the negotiations. Only 10% felt adequately informed. By far, Ecuadorians received most of their information about the FTA from television (72%) and radio (9%). Only 6% gained their information from newspapers.

8. Not surprisingly, most people thought the FTA should be subject to a popular vote (84%). Of those who thought there should be a popular vote, 38% said they would vote in favor of the FTA, 30% would vote against it, and 32% were undecided. The large number of undecided voters is probably a good thing, since it implies that prejudices are not

decisive, but this certainly points to a great deal of work still to be done by the GOE in getting the word out.

More To Be Done

9. The USAID campaign has made tremendous headway in educating the Ecuadorian public about the FTA. Through its partnership with Comisin Negociadora, about 150 workshops have taken place, its Website is up and receiving hits, and several events have taken place with Congress. The current phase of the campaign is expected to inform directly more than 8,000 persons.

10. The next phase is currently being planned and will involve more Congressional interaction and probably dialogues with specific sectors addressing their concerns with impact analyses.

Comment

11. The fact that half of the population supports the FTA makes us optimistic that, once an agreement is reached, it will enjoy enough support to pass the Ecuadorian Congress. The clear desire for a popular vote on the FTA reflects a concerted effort by civil society groups including the main indigenous organization to compel a referendum on the subject. Their effort to collect nearly one million signatures, however, has fallen flat (so far only 35,000). Business groups claim they have collected three times as many signatures in favor of an FTA (115,000). The GOE is adamantly against a referendum on the FTA.

KENNEY